

**HI-CRUSH INC.**

Consolidated Financial Statements  
As of and for the period ended December 31, 2022  
(Unaudited)

**HI-CRUSH INC.**  
Consolidated Balance Sheets  
(In thousands)  
(Unaudited)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 26,855	\$ 25,810
Restricted cash	10,559	21,820
Accounts receivable, net	92,209	50,167
Inventories	17,628	15,886
Prepaid expenses and other current assets	8,570	18,645
Total current assets	<u>155,821</u>	<u>132,328</u>
Property, plant and equipment, net	143,208	118,897
Operating lease right-of-use assets	17,251	9,825
Intangible assets, net	4,619	8,252
Other assets	146	386
Total assets	<u>\$ 321,045</u>	<u>\$ 269,688</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 44,870	\$ 26,069
Accrued and other current liabilities	20,779	18,442
Current portion of deferred revenues	666	5,591
Current portion of long-term debt	2,943	1,520
Current portion of operating lease liabilities	8,018	4,109
Total current liabilities	<u>77,276</u>	<u>55,731</u>
Long-term debt	849	1,147
Operating lease liabilities	9,257	5,733
Asset retirement obligations	15,759	21,381
Deferred tax liabilities	301	301
Total liabilities	<u>103,442</u>	<u>84,293</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value	-	357
Additional paid-in-capital	282,668	283,272
Retained earnings (deficit)	(65,065)	(98,227)
Accumulated other comprehensive loss	-	(7)
Total stockholders' equity	<u>217,603</u>	<u>185,395</u>
Total liabilities and stockholders' equity	<u>\$ 321,045</u>	<u>\$ 269,688</u>

**HI-CRUSH INC.**  
Consolidated Income Statement  
(In thousands)  
(Unaudited)

	<b>Month Ended</b>	<b>Three Months Ended</b>		<b>Year Ended</b>
	<b>December 31, 2022</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>December 31, 2022</b>
Revenues	\$ 56,791	\$ 175,214	\$ 155,748	\$ 591,537
Cost of goods sold	41,685	130,230	112,946	443,227
Gross Profit	15,106	44,984	42,802	148,310
Operating costs and expenses:				
General and administrative	4,057	10,092	7,679	32,506
Depreciation, depletion and amortization	4,245	8,487	4,872	26,697
Accretion	135	403	403	2,279
Restructuring	5	15	49	173
Gain from sale of business	-	-	-	(11,399)
Other operating (income) expenses, net	312	233	500	278
Income (loss) from operations	6,352	25,754	29,299	97,776
Other income (expense):				
Interest income (expense)	120	231	(19)	101
Income (loss) before income tax	6,472	25,985	29,280	97,877
Income tax expense (benefit)	-	(212)	-	(212)
Net Income (loss)	\$ 6,472	\$ 26,197	\$ 29,280	\$ 98,089

**Reconciliation of Net Income (Loss) to Adjusted EBITDA**

Net Income (loss)	\$ 6,472	\$ 26,197	\$ 29,280	\$ 98,089
Interest (income) expense	(120)	(231)	19	(101)
Income tax expense (benefit)	-	(212)	-	(212)
Depreciation, depletion and amortization	4,245	8,487	4,872	26,697
Accretion	135	403	403	2,279
Restructuring	5	15	49	173
(Gain) loss on sale of assets	301	179	(576)	(810)
Gain from sale of business	-	-	-	(11,399)
Contract terminations/modifications and other	(3)	29	779	680
Stock-based compensation expense	(4)	48	77	280
One-time termination benefits	227	252	-	252
One-time legal professional fees	95	104	606	2,061
Adjusted EBITDA	\$ 11,353	\$ 35,271	\$ 35,509	\$ 117,989

**HI-CRUSH INC.**  
Consolidated Statement of Cash Flows  
(In thousands)  
(Unaudited)

	<b>December 31, 2022</b>		
	<b>Month Ended</b>	<b>Quarter Ended</b>	<b>Year Ended</b>
<b>Operating activities:</b>			
Net income (loss)	\$ 6,472	\$ 26,197	\$ 98,089
Adjustments to reconcile net income (loss) to net cash provided by operating			
Depreciation, depletion and amortization	4,245	8,487	26,697
Provision for credit losses	1,096	1,096	1,096
Stock-based compensation	(4)	48	280
Accretion expense	135	403	2,279
Gain on disposal of property, plant and equipment	301	179	(810)
Gain on sale of business	-	-	(11,399)
Non-cash lease expense	924	2,038	5,504
Changes in operating assets and liabilities:			
Accounts receivable	7,512	(8,465)	(44,805)
Inventories	(1,031)	312	(1,442)
Prepaid expenses and other current assets	277	514	9,948
Accounts payable, accrued liabilities and deferred revenue	(7,028)	1,409	1,953
Net cash provided by operating activities	<u>12,899</u>	<u>32,218</u>	<u>87,390</u>
<b>Investing activities:</b>			
Capital expenditures for property, plant and equipment	(3,495)	(6,949)	(38,983)
Proceeds from sale of property, plant and equipment	(324)	(202)	3,412
Proceeds from sale of business	-	-	6,478
Net cash used in investing activities	<u>(3,819)</u>	<u>(7,151)</u>	<u>(29,093)</u>
<b>Financing activities:</b>			
Proceeds from notes payable	-	-	2,142
Repayment of notes payable	(465)	(3,462)	(6,530)
Dividends paid	(62,360)	(62,360)	(62,897)
Proceeds from options exercised	-	51	160
Repurchase of common stock	-	(1,388)	(1,388)
Net cash used in financing activities	<u>(62,825)</u>	<u>(67,159)</u>	<u>(68,513)</u>
Net increase (decrease) in cash and restricted cash	<u>(53,745)</u>	<u>(42,092)</u>	<u>(10,216)</u>
Cash and restricted cash at beginning of period	91,159	79,506	47,630
Cash and restricted cash at end of period	<u>\$ 37,414</u>	<u>\$ 37,414</u>	<u>\$ 37,414</u>

**HI-CRUSH INC.**

Consolidated Statement of Changes in Equity

(In thousands, except share amounts)

(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In- Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Accumulated Other Comprehensive</u>	<u>Total Equity</u>
	<u>Shares</u>	<u>Par Value</u>				
Balance at December 31, 2021	356,827,157	\$ 357	\$ 283,272	\$ (98,227)	\$ (7)	\$ 185,395
Options exercised	5,898,657	6	154	-	-	160
Options forfeited	(2,721,252)	(3)	3	-	-	-
Reverse stock split - 50,000 to 1	(359,997,377)	(360)	(1,028)	-	-	(1,388)
Dividends	-	-	-	(65,000)	-	(65,000)
Stock-based compensation expense	-	-	280	-	-	280
Other	-	-	(13)	73	-	60
Other comprehensive income	-	-	-	-	7	7
Net income (loss)	-	-	-	98,089	-	98,089
Balance at December 31, 2022	<u>7,185</u>	<u>\$ -</u>	<u>\$ 282,668</u>	<u>\$ (65,065)</u>	<u>\$ -</u>	<u>\$ 217,603</u>